

Patricia M. French
Senior Attorney



300 Friberg Parkway
Westborough, Massachusetts 01581
(508) 836-7394
(508) 836-7039 (facsimile)
pfrench@nisource.com

July 7, 2005

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 05-27

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following information requests:

From the Attorney General:

AG-3-20 AG-22-9 (BULK) AG-23-9 AG-25-2

From the Department:

DTE-15-54 (Revised)

From MP:

MP-1-7

From the UWUA:

UWUA-2-22 UWUA-3-32 UWUA-3-42 UWUA-3-45

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Per Ground Rules Memorandum issued June 13, 2005:

Paul E. Osborne, Assistant Director – Rates and Rev. Requirements Div. (1 copy)

A. John Sullivan, Rates and Rev. Requirements Div. (4 copies)

Andreas Thanos, Assistant Director, Gas Division (1 copy)

Alexander Cochis, Assistant Attorney General (4 copies)

Service List (1 electronic copy)

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: July 7, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

SUPPLEMENT

AG-3-20 Referring to Exhibit BSG/JES-1, Workpaper JES-6, page 20, line 14, please provide a copy of the letter of engagement as well all work product and invoices to date as a result of that engagement.

Response: Please see Attachment AG-3-20 (a) for copies of contractual agreements between Bay State Gas Company and Dan Yardley and other related material.

To date, the Company has not received any invoices from Dan Yardley.

The work product from Dan Yardley is reflected in the testimony of Mr. Ferro, including Exhibits BSG/JAF-1, BSG/JAF-2, and BSG/JAF-3, and other supporting schedules.

SUPPLEMENTAL RESPONSE

Please see Attachment AG-3-20 (b) for a copy of the most currently available invoice from Mr. Yardley.

June 30, 2005

Mr. Thomas R. Birmingham
Manager, Regulatory Policy
Bay State Gas Company
300 Friberg Parkway
Westborough, MA 01581

INVOICE 139-5/05

Dear Tom:

The total due for regulatory advisory services and expenses for March through May 2005 pertaining to Bay State Gas Company's rate case filing in Docket No. D.T.E. 05-27 is as follows:

Services:	\$28,900.00
Expenses:	<u>0.00</u>
Total Fees:	\$28,900.00

Documentation of these fees is attached. Please call me if you have any questions concerning this invoice.

Very truly yours,



Daniel P. Yardley

Project Description: Consulting services pertaining to the design and development of tariff changes and associated testimony filed in D.T.E. Docket No. 05-27 and post-filing support

<u>Week</u>	<u>Description</u>	<u>Hours</u>	<u>Cost</u>
March 1 – 4	Meet with J. Ferro and S. Kullberg to discuss existing tariff and necessary modifications, meet with T. Birmingham to discuss various rate case issues pertaining to base rate adjustment mechanisms	5.0	\$1,000
March 7 – 11	Prepare revisions to tariffs including new dual-fuel rider	6.0	\$1,200
March 14 – 18	Draft standard interruptible sales tariff and changes to various rate schedules	6.5	\$1,300
March 21 – 26	Draft pension and benefit tracking mechanism and other revisions to LDAC tariff, complete other miscellaneous tariff revisions and provide to J. Ferro and S. Kullberg	7.0	\$1,400
March 28 – 31	Meet with J. Ferro to discuss mechanics of PBR and SIR programs and associated rate calculations	4.5	\$900
April 4 – 8	Prepare outline of tariff testimony and provide to J. Ferro, prepare initial draft of ABRAM tariff including PBR and SIR recovery mechanisms, review SIR revenue requirement schedules and discuss with J. Skirtich, prepare initial draft of tariff testimony on non-ABRAM issues	29.5	\$5,900
April 11 – 15	Meet with J. Ferro to discuss initial draft of ABRAM, revise tariff testimony, prepare revised ABRAM tariff, prepare outline and initial draft of testimony describing ABRAM adjustment tariff	24.5	\$4,900

<u>Week</u>	<u>Description</u>	<u>Hours</u>	<u>Cost</u>	Bay State Gas Company D.T.E. 05-27 Attachment AG-3-20 (b) Page 3 of 3
April 18 – 22	Create illustrative ABRAM schedule based on R-1 rate schedule, discuss ABRAM testimony with J. Ferro and prepare revisions, complete illustrative ABRAM schedule linking final billing determinant and rate design schedules for all rate schedules, conference call with T. Birmingham to discuss comments on draft testimony and ABRAM tariff, renumber entire tariff and revise tariff number references to conform to new sequence, conference call with G. Simmons to discuss comments on draft testimony and tariffs, revise testimony and ABRAM tariff to reflect comments received, meet with T. Birmingham and S. Kullberg to discuss final changes to tariff for filing and other outstanding elements of rate case filing, revise tariff, conference call with T. Birmingham and other NiSource personnel to discuss PBOP mechanism, revise PBOP tariff language and associated testimony, revise CGA tariff per discussion with J. Ferro	43.0	\$8,600	
April 25 – 29	Revise tariff, testimony and example schedules based on final comments received and to conform to final rate design, review and discuss final changes to CGA and LDAC prepared by J. Ferro, discuss final versions of testimony and exhibits with J. Ferro, generate red-lined versions of all tariffs for filing, prepare final rate table to be appended to ABRAM tariff	18.5	\$3,700	
Total Services		144.5	\$28,900	

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWENTY SECOND SET OF INFORMATION REQUESTS FROM
THE ATTORNEY GENERAL
D. T. E. 05-27

Date: July 7, 2005

Responsible: James L. Harrison, Consultant (Cost Studies)

AG-22-9 Please provide fully allocated cost of service studies (Schedules JLH-2-1, JLH-2-2, JLH-2-3 and JLH-3-4) at the requested rate of return. These studies would have no deficiency. Include all supporting calculations, workpapers and assumptions. Include hard copies of all pages of the cost of service studies and working spreadsheet models. Explain each step taken to modify the existing models and provide file names and cell references to support the explanation of each change. The explanation should be sufficiently detailed so as to allow the reader to make the changes to the models provided in the Company's response to AG-7-16 and produce the same results--if this is not possible explain why.

Response: See Attachment AG-22-9 for the cost of service studies at the claimed rate of return of 9.05%. A total Company cost of service was calculated at the claimed rate of return without the Revenue Adjustment noted in the response to AG-9-2. The Adjustment to Revenues was then made and all of the requested cost studies were produced in hard copy as presented in Attachment AG-22-9.

To make the adjustment for claimed revenues, the revenues on line 1713 of the model needs to be copied and pasted as values on line 456 of the model. To make the Revenue adjustment noted in AG-9-2, \$404,852 needs to added to the values in cell T1142 in the Cost of Service tab of the cost study model. Then using the menus in the control panel the Functions/Component costs need to be run. Then the Total Company file that produced the component costs needs to be retrieved and the links updated for the Unbundled tab. Then the command to Copy Total Company Components to the Functions Sheet needs to be executed.

Attachment AG-22-9 constitutes a Bulk Response.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWENTY-THIRD SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 7, 2005

Responsible: Danny G. Cote, General Manager

AG-23-9 Please refer to the June 17, 2005, letter from the Company to the Attorney General regarding overdue discovery responses, Attachment E. Explain why there are blanks under the column "Exposed Pipe Type" throughout the report.

Response: Attachment E, DOT Leak Repairs Report, have blanks under the column "Exposed Pipe Type" through out the report because the leaks listed did not meet the parameters of the report; pipe type equal to bare steel. The original parameters of the report asked for Division: BROCKTON, Leak Class: ALL, Pipe Type: BARE STEEL, Pipe Size: ALL, Pipe Pressure: ALL, From Date: 01/01/1995 – 12/31/1995. Only in the case where exposed pipe type was equal to Bare Steel would the exposed pipe type column be filled in.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWENTY-FIFTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 7, 2005

Responsible: Danny G. Cote, General Manager

AG-25-2 Refer to the Company's response to AG-6-4 where the Company states:
"This inventory of coated unprotected steel main has been determined to
have ineffective coating . . ." Does the Company propose to replace
these mains under its steel replacement program?

Response: The Company has 106 miles of coated unprotected steel main, with
ineffective coating, in Massachusetts. Bay State plans to replace the
entire 106 miles under it's Steel Infrastructure Replacement program.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIFTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: July 7, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)
Stephen H. Bryant, President

REVISED RESPONSE

DTE-15-54 Refer to Exh. BSG/JES-1, Sch. JES-6, at 8. Please provide greater detail including work papers pertaining to the \$83,500 listed on Line 9 for "Other Professional Services."

Response: The \$83,000 estimated rate case expense listed on Line 6 – Other Professional Services - of Exh. BSG/JES-1, Sch. JES-6, at 8 is associated with work performed / being performed by the following consultants:

1. Coler & Colantonio – Building Allocation Study
2. Corporate Renaissance, Inc. – Service Quality Audit and Documentation
3. Suburban Staffing, Inc. – Temporary Rate Case Help
4. Adecco USA – Temporary Rate Case Help
5. Baryenbruch & Company – NiSource Corporate Services Company Market Pricing Evaluation
6. Dan Yardley – Tariff, Pension and Rate Design
7. The META Group – CIS Investment Market Analysis

The Company has provided greater detail, including work product, associated with the work being performed by the following consultants as part of the noted information requests:

1. Coler & Colantonio – See AG-3-17
2. Corporate Renaissance, Inc. – See AG-3-18
5. Baryenbruch & Company – AG-3-19
7. The META Group – AG-3-16 (Note that the work product from META Group has not been finalized, and will be provided upon completion).

Regarding Dan Yardley – Tariff, Pension and Rate Design, the Company provided a copy of the requested contractual agreement as part of AG-3-20, and a copy of the most currently available invoice as part of AG-3-20 SUPPLEMENT. Mr. Yardley's responsibilities have included support of Mr. Ferro in the development of the tariffs, including the ABRAM, SIR,

and Pension / PBOB mechanisms, so his work product is reflected in Mr. Ferro's exhibits.

Regarding Suburban Staffing, Inc. and Adecco USA, temporary employees from these two companies have been retained by Bay State Gas to assist with the preparation and support of the rate case. Tasks include copying, filing, and other clerical duties as needed. Therefore, no direct work product is available.

Also, see Exh. BSG/JES-1, Workpaper JES-6, Page 20 of 31 for additional rate case expense information.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM MASSPOWER
D. T. E. 05-27

Date: July 7, 2005

Responsible: Joseph A. Ferro

MP 1-7 Refer to the Agreement at 7.

(a) Please provide the amount of the "total embedded cost of gas in the test year," how that amount was calculated and any communications, documents or work papers related thereto.

(b) Please identify the total cost of embedded gas in base rates at the time of the execution of the contract in 1991.

(c) Please discuss all costs previously included in that definition in 1991 which have been removed from collection through base rates and collected through other adjustment mechanisms.

(d) Please provide copies of all Department approvals transferring collection of those costs to an alternative ratemaking component since 1991.

Response:

(a) As calculated in Schedule JAF-1-2, and shown on Sheet 6 of Schedule JAF-1-2, lines 13 and 14, the gas costs, or gas cost collections, in the test year were \$307,478,354 of "Direct" gas costs and \$19,129,611 of "Indirect" gas costs for a total of \$326,608,262. WP JAF-1-2 provides further monthly detail of the derivation of these gas cost revenues.

(b) At the time of the execution of the contract the embedded gas costs in base rates were pursuant to the Company's general base rate case in 1989, D.P.U. 89-81, an amount that the Company does not have readily available. However, at the time of the commencement of service to MassPower in August 1993, the embedded gas costs in base rates approved by the Department were the result of the Company's last general base rate proceeding, D.P.U. 92-111. Those test year gas costs embedded in base rates were \$155,791,547.

(c) The definition of base rates is not congruent to Base Firm Revenue. Any gas costs that were embedded in base rates were not considered a part of the Company's firm base (or distribution) revenues in determining any base rate increase, and were accounted for in the Cost of Gas Adjustment (CGA) Clause. These revenues were recovered dollar-for-dollar through the CGA mechanism going forward from that test year,

derived by applying firm sales to both the embedded gas cost rate(s) and the CGA, which was a rate either negative or positive representing the difference between the current cost of gas and the test year average cost of gas embedded in base rates.

Moreover, Article 6 of the Firm Transportation Agreement between Bay State and MassPower specifies that the denominator of the fraction representing the Firm Base Revenue percent increase applicable to MassPower's demand and volumetric charges is "Base Firm Revenue exclusive of the total embedded cost of gas in the test year utilized by the Department to grant such adjustment." Thus, the Agreement never contemplated that embedded gas costs would be included in the denominator to determine the percentage applicable to MassPower's rate increase. The distribution revenues used in this instant proceeding as the denominator in determining the 16.75% increase represents the same "Firm Base Revenue" set out in the Agreement.

(d) In the Company's revenue neutral rate redesign case, D.P.U. 95-104, the Company removed all gas costs embedded in base rates pursuant to D.P.U. 92-111, and made transparent the entire cost of gas charged to each rate class. By way of issuing its order approving an Offer of Settlement between the parties in the proceeding, including by way of reference the proposed base rates and Cost of Gas Clause, the Department approved the unbundling of rates including stripping from base rates any embedded costs of gas. Attachment MP-1-7 is a copy of the Department order in D.P.U. 95-104.

D.P.U. 95-104

Investigation by the Department on its own motion as to the propriety of the rates and charges set forth in the following tariffs: M.D.P.U. Nos. 349 through 373, filed with the Department on August 29, 1995, to become effective October 1, 1995, by Bay State Gas Company.

APPEARANCES: Paul B. Dexter, Esq.
LeBoeuf, Lamb, Greene & MacRae
260 Franklin Street
Boston, Massachusetts 02110
FOR: BAY STATE GAS COMPANY
Petitioner

L. Scott Harshbarger, Attorney General
By: James W. Stetson
200 Portland Street
Boston, Massachusetts 02114
Intervenor

Jeffrey M. Bernstein, Esq.
Kenneth L. Kimmell, Esq.
Bernstein, Cushner & Kimmel
One Court Street, 7th Floor
Boston, Massachusetts 02108
FOR: DIVISION OF ENERGY RESOURCES
Intervenor

Richard G. McLaughry, Esq.
Distrigas of Massachusetts Corporation
200 State Street
Boston, Massachusetts 02109
FOR: DISTRIGAS OF MASSACHUSETTS CORPORATION
Intervenor

Usher Fogel, Esq.
Roland, Fogel, Koblenz & Carr, L.L.P.
One Columbia Place
Albany, New York 12223
FOR: MASSACHUSETTS OILHEAT COUNCIL, INC.
Intervenor

Gregory K. Lawrence, Esq.
John, Hergerer & Esposito
1200 17th Street, N.W., Suite 600
Washington, D.C. 20036
FOR: UTILICORP UNITED, INC., D/B/A BROAD STREET
OIL & GAS COMPANY AND
UTILICORP ENERGY SOLUTIONS, INC.
Intervenor

Randall S. Rich, Esq.
Bracewell & Patterson, L.L.P.
2000 K Street, N.W., Suite 500
Washington, D.C. 20006
FOR: ENRON CAPITAL & TRADE RESOURCES CORP.
Intervenor

James H. Norris, Esq.
600 Grant Street, 42nd Floor
Pittsburgh, Pennsylvania 15219
FOR: TEXAS-OHIO GAS, INC.
Intervenor

Donna Sharkey, Esq.
Rubin and Rudman
50 Rowes Wharf
Boston, Massachusetts 02110
FOR: MASSPOWER, INC.
Intervenor

John Cope-Flanagan, Esq.
ComEnergy
One Main Street
P.O. Box 9150
Cambridge, Massachusetts 02142
FOR: COMMONWEALTH GAS COMPANY
Limited Participant

I. INTRODUCTION

On April 14, 1995, Bay State Gas Company ("Bay State" or "Company") filed with the Department of Public Utilities ("Department"), pursuant to G.L. c.164, § 94, tariff schedules of proposed rates and charges under M.D.P.U. Nos. 323 through 347, to become effective May 1, 1995. The proposed rates and charges were designed to unbundle its services and rates to promote choice and competition (Exh. BSG-1, at 3-4). The Department docketed this filing as D.P.U. 95-52, and on April 25, 1995, suspended the proposed tariff changes until November 1, 1995, pending an investigation as to their propriety.

Pursuant to notice duly issued, the Department conducted three public hearings in Lawrence, Brockton and Springfield on May 31, June 1, and June 7, 1995, respectively, to afford the public an opportunity to comment on the Company's proposed rate redesign. The Attorney General of the Commonwealth ("Attorney General") intervened as of right, pursuant to G.L. c. 12, § 11E, and the Department granted the petitions to intervene of Distrigas of Massachusetts Corporation ("DOMAC"), Masspower, Inc. ("Masspower"), Massachusetts Oilheat Council, Inc. ("MOC"), Enron Capital & Trade Resources Corp. ("Enron"), Broad Street Oil & Gas Company ("Broad Street"), and the Division of Energy Resources ("DOER"). Commonwealth Gas Company was allowed limited participant status.

The Department conducted eleven days of evidentiary hearings between July 12 and August 9, 1995.¹ In support of its filing, the Company presented the testimony of James D.

¹ On July 10, 1995, the Attorney General filed with the Department a Motion to Dismiss the proceeding. On July 25, 1995, the Attorney General filed an Appeal of the Hearing Officer's July 12, 1995 decision regarding discovery requests. Since the Attorney General is a signatory party to the Joint Motion for Approval of Offer of

(continued...)

Simpson, vice president of pricing services; Joseph A. Ferro, manager, rate services; and James L. Harrison, principal, Management Applications Consulting, Inc. DOER presented the testimony of John A. Brickhill, executive vice president of Foster Associates, Inc., an economic consulting firm.

On August 18, 1995, Bay State filed with the Department a Motion to Withdraw Tariffs and Resubmit Tariffs with Changed Effective Date, which the Department approved on August 21, 1995.

On August 29, 1995, Bay State refiled with the Department tariff schedules of proposed rates and charges under M.D.P.U. Nos. 349 through 373, to become effective October 1, 1995. The Department docketed this filing as D.P.U. 95-104 and suspended it until March 31, 1996, pending an investigation. The Department incorporated the record from D.P.U. 95-52 in D.P.U. 95-104. In addition to the parties already granted intervention and limited participant status in D.P.U. 95-52,² the Department allowed Texas-Ohio Gas, Inc. ("TOG") full intervention status in this proceeding.

After due notice, the Department held a public hearing at its Boston offices on October 5, 1995. Four evidentiary hearings were held during the month of October, 1995. The Company presented the testimony of Messrs. Simpson, Ferro and Harrison. TOG presented the testimony

¹(...continued)

Settlement in this case, the Department considers these motions moot. On July 14, 1995, Bay State filed an objection to Department and Attorney General information requests. On December 1, 1995, Bay State withdrew its objection.

² On September 11, 1995, Broad Street petitioned the Department for intervention as Utilicorp United, Inc. d/b/a/ Broad Street Oil & Gas Company and Utilicorp Energy Solutions ("Utilicorp").

of William M. Moody, market representative for TOG in Pennsylvania and Massachusetts.

On November 7, 1995³, Bay State, the Attorney General, DOER, Enron and Utilicorp submitted to the Department a Joint Motion for Approval of Offer of Settlement ("Settlement") intended to resolve all issues concerning Bay State's proposed changes to rates (including unbundling the Company's firm sales and transportation rates), revising the Firm Transportation Terms and Conditions and the Cost of Gas Adjustment Clause, and implementing Peaking and Supplemental Gas Supply Services and a Distribution Adjustment Cost Clause. Although DOMAC and Masspower did not sign the Settlement, they have indicated that they do not oppose the Settlement (Letter of DOMAC, dated November 15, 1995, and Letter of Masspower dated November 22, 1995). MOC and TOG oppose specific provisions of the Settlement.

On November 15, 1995, Bay State, the Attorney General, DOMAC, MOC, TOG, Utilicorp and Enron submitted initial comments or briefs concerning the Settlement. On November 22, 1995, Bay State, the Attorney General, DOER and Masspower submitted reply comments or briefs.

II. SETTLEMENT AGREEMENT

In this section, we describe the Settlement proposal, the positions of the parties on those provisions that are at issue, and conclude with our analysis and findings.

A. Proposal

The Settlement states that: (1) the rates, charges, and Terms and Conditions set forth in

³ On December 18, 1995, Bay State, the Attorney General, DOER, Enron and Utilicorp resubmitted the Settlement, conditioning it upon the Department's acceptance of all provisions without change or condition, on or before December 22, 1995 (Settlement at § 4.3).

the Company's tariffs M.D.P.U. Nos. 374 through 398⁴, included as part of the Settlement in Appendix A, be approved effective January 1, 1996 (Settlement at § 2.1);

(2) two additional rate classes for sales and transportation customers who use 250,000 therms of gas or more annually, will be implemented by May 1, 1997 (id. at § 2.3); (3) customers receiving State Veteran's Benefits will be eligible to receive gas service under Bay State's

R-2 or R-4 rates (id. at § 2.4); (4) the daily imbalance charge for transportation customers will be \$0.05 per therm and the charge for Demand Delivery Service will be \$0.259 per therm (id. at §

2.5); (5) an experimental program will be implemented whereby the Company will offer transportation services to residential customers through marketers and/or aggregators as agents for the residential customers (id. at § 2.6); (6) Bay State will file for Department approval of an

incentive ratemaking plan no later than May 31, 1997 (id.

at §2.7); (7) the demand rate for Peaking Gas Supply Service ("PGSS") will be \$0.2005 per therm

of peaking gas supply (id. at §2.8); (8) the Maximum Daily Entitlement ("MDE") for PGSS will automatically increase to a customer's highest actual PGSS usage and the PGSS customer will be required to give 12-months notice before changing the MDE (id. at §2.9);

(9) Supplemental Gas Supply Service ("SGSS") customers will not be required to take PGSS, and, on any gas day, an SGSS customer can nominate gas from its third-party supplier up to and including the quantity amount (id. at § 2.10); (10) beginning

November 1, 1996, the Department will hold a hearing prior to the implementation of Bay State's

⁴ As indicated in the appendices to the Settlement, M.D.P.U. Nos. 374 through 398 cancel M.D.P.U. Nos. 349 through 373, filed with the Department on August 29, 1995. The tariffs currently before the Department for approval are M.D.P.U. Nos. 374 through 398.

peak period Gas Adjustment Factor ("GAF") and Distribution Adjustment Factor ("DAF"), and parties will not be precluded in these proceedings from examining the Company's gas portfolio management practices during the previous year (id. at § 2.11);⁵

(11) the Company will withdraw its request for approval of a weather stabilization adjustment (id. at § 2.12); (12) the Company will consider developing and offering special contracts to customers whose situations warrant departure from the tariffs in effect (id. at § 2.14); (13) in its next rate case, the Company will submit an analysis of the cost of providing service when maximum hourly flows ("MHF") have been imposed, and propose a new charge for violation of MHF if the analysis reveals that the cost of providing such service is lower than the rate proposed (id. at § 2.15); and (14) Rate G-52 will replace the rates that special contracts customers pay, except if such customers opt for service under rate T-52 (id. at § 2.16).

The Settlement also states that changes to particular Terms and Conditions related to Bay State's proposed firm transportation service will be implemented (id. at § 2.13). Specifically, Sections 3 and 6 of the Terms and Conditions will be changed to use the phrase "on a non-discriminatory basis" regarding Nominations and Imbalance Trading. Section 5, regarding Daily Balancing and MHFs, has been changed so that the penalty provision for violations of MHF restrictions is reduced to \$1.25 per therm and Bay State will provide customers or their agents with notice of the MHF. Moreover, Section 6 of the Terms and Conditions, regarding Monthly

⁵ Although the Attorney General does not acknowledge, accept or endorse the use of the Market Based Allocation ("MBA") method of allocating gas costs between rate classes, the Attorney General agrees not to contest the utilization of the MBA in Bay State's 1996/97 peak period Cost of Gas Adjustment Clause ("CGAC") hearing, so long as the peak period GAF rate proposed for residential heating rate classes is not 4.5 percent higher or lower than the prior peak period GAF rate (Settlement at § 2.11).

Cash-Out of Imbalances, has been changed to expand the allowable region for the exchange of imbalances to the entire operating division rather than limiting the exchange to the same take station within each operating division. The paragraph in Section 6 regarding limits on balancing service states that, for a customer who is acting to gain financially from the provisions regarding imbalances, the deadline for taking corrective action "must be reasonably related to the proposed corrective action." Section 7, regarding Agent Designation and Aggregation of Load, has been amended to include the specific criteria upon which the Company will judge the creditworthiness of Aggregators. Section 8, regarding Curtailment and Operational Flow Orders ("OFO"), has been altered to provide that Bay State may issue OFOs only in the case of a material and significant threat to the operational integrity of its system. Finally, Section 12, regarding Automated Metering, has been changed to eliminate the requirement for a dedicated electrical supply, while including a provision that Bay State may require a dedicated telephone line for the metering device, but only if experience dictates that a non-dedicated line is inadequate.

B. Positions of the Parties

1. Rate Design and Continuity

a. Firm Transportation Rates

i. MOC

MOC argues that the transportation charges discriminate against those customers opting for transportation, and directly contravene ratemaking principles (MOC Brief at 6).⁶ MOC asserts that the Company's proposed rates are designed to improve the Company's competitive position

⁶ MOC notes that it does not oppose the Settlement provisions which it does not address in its Comments (MOC Brief at 6 n.3).

and that they violate the principle of rate continuity (id. at 13, 26). MOC asserts that the rate increases for the Company's existing transportation customers will range from 6.1 percent to 65.1 percent, while rate decreases to some of the existing transportation customers will range from 3.2 percent to 76.7 percent (id. at 23). MOC argues that the rate increases among existing transportation customers are not evenly distributed and notes that there is a lack of consistency between the proposed rates and customer load patterns (id. at 24). MOC contends that it is likely that the rate increases identified by the Company are understated. Finally, MOC asserts that in Bay State Gas Company, D.P.U. 92-111, at 318 (1992), the Department directed the Company to cap the revenue requirement increase for any rate class at 6 percent (id. at 16, 24).

ii. TOG

TOG argues that the proposed settlement should be rejected because it will result in rate shock to existing transportation customers (TOG Brief at 5). TOG contends that, according to the Company, 66 percent of the Company's existing transportation customers will experience an average increase of 29 percent (id., citing Exh. BSG-45, Tab 14; Exh. MOC-1, at 1). Finally, TOG argues that in Bay State Gas Company, D.P.U. 92-111, at 318, the Department capped Bay State's revenue requirement increase for any class at 6 percent (id. at 7).

iii. The Company

The Company argues that the proposed transportation rates were designed to ensure that sales and transportation customers pay the same rate for transporting gas across Bay State's distribution system (Bay State Initial Comments at 1). Regarding the 6 percent cap imposed by the Department in the Company's last rate case, D.P.U. 92-111 (1992), Bay State argues that it

was a case-specific directive rather than Department policy (Bay State Reply Comments at 5).

The Company further argues that the rate increase cap ordered by the Department applied to rate classes rather than specific customers (id.).

The Company states that its proposal will increase rates to existing transportation customers because current rates do not properly reflect the full cost of transporting gas across the Company's distribution system (id.). The Company further notes that the increase in rates could be offset by reductions in balancing costs and stand-by service charges (id. at 7-8). Finally, the Company argues that the transportation rate represents 20 to 25 percent of a transportation customer's burner-tip cost (id. at 8). The Company contends that after consideration of the costs of supplemental services, the burner-tip impact for transportation customers existing at the time of the Company's initial filing will be even lower than the impact that many sales customers will experience (id. at 8-9).

iv. DOER

In response to MOC's and TOG's claim of rate shock, DOER asserts that the analysis presented by the two parties is incomplete and therefore misleading (DOER Reply Comments at 2). DOER further asserts that when the rate increases are considered as part of the complete Settlement package, the existing transportation customers will not experience rate shock (id.). Although TOG asserts that five of its customers will experience an average increase of 35.5 percent, DOER contends that these customers are not representative of the entire rate class (id.). According to DOER, any increases in the transportation rate will be offset by reductions in the balancing charges and stand-by services, with an increase of 23 percent for the T-42 class (id. at 2-3).

v. The Attorney General

The Attorney General argues that the assertion made by TOG and MOC regarding potential rate shock to existing transportation customers is not accurate (Attorney General Reply Comments at 2). The Attorney General contends that an increase of 25 percent in the transportation rate will result in a modest increase of 6 percent when viewed as part of the bundled gas service (id. at 3).

vi. Enron

Enron states that the rates established for transportation services are at parity with the implied transportation component of the rates for the Company's corresponding sales rates (Enron Initial Comments at 1). Enron further asserts that the proposed rate structure should encourage competition for gas sales to commercial and industrial markets (id.).

b. Firm Sales Ratesi. MOC

MOC asserts that the firm sales rates proposed in the Settlement strengthen Bay State's position in those classes where it faces competition (i.e., residential heating and commercial and industrial classes), at the expense of the classes where little competition exists (e.g., the residential non-heating class) (MOC Brief at 10-13). MOC contends that the total R-1 base revenues will increase by 11.1 percent under the proposed Settlement and that the R-1 total bill will increase up to 11.3 percent (id.). MOC asserts that it is unfair to place such a high financial burden on the R-1 class when it is a high load factor customer group (id.).

Further, MOC states that the Department should reject the \$0.75 per month increase to the R-1 and R-3 customer charges (from \$6.50 per month to \$7.25 per month), as proposed in the

Settlement (id. at 36). According to MOC, this increase is neither supportable nor rational, especially in a revenue-neutral proceeding (id. at 36-37).

ii. The Company

The Company asserts that the class revenue levels under the Settlement are reasonable and consistent with Department precedent, which uses a design year daily proportional responsibility allocator for distribution capacity in the cost of service study (Company Initial Comments at 3-4, citing Boston Gas Company, D.P.U. 93-60 (1993)).

iii. Attorney General

With regard to the residential customer charge increase of \$0.75 per month, the Attorney General states that MOC focuses on one portion of what eventually becomes a "bundled" gas service bill (Attorney General Initial Comments at 3). According to the Attorney General, when the customer charge increase is combined with the other proposed rates in the Settlement, the actual bill impact is an increase of 1.2 percent or \$2.66 per year for the average residential non-heating customer, and a decrease of 0.5 percent or \$5.00 per year for the average residential heating customer (id.).

The Attorney General contends that the Department accepts settlements that include cost allocation and rate design when such settlements are found to be consistent with the Department's rate structure goals of efficiency, simplicity, continuity, fairness, and earnings stability (id. at 2, citing Boston Edison Company, D.P.U. 92-92 (1992); Massachusetts Electric Company, D.P.U. 91-52 (1991); Bay State Gas Company, D.P.U. 92-111 (1992)). The Attorney General asserts that the Settlement increases are reflective of rising cost levels and do not materially exceed the revenue increase cap level ordered by the Department and utilized by Bay State in past

compliance filings (id. at 2, citing Bay State Gas Company, D.P.U. 92-111, at 319; Tr. 6, at 15; Exh. BSG-7, at 1). The Attorney General maintains that the Settlement is consistent with the public interest because it resolves many of Bay State's rate unbundling issues and meets all of the Department's rate structure goals (id.). The Attorney General therefore argues for Department approval of the Settlement (id. at 2-3).

2. Terms and Conditions for Firm Transportation Service

a. MOC

According to MOC, Bay State has established charges and Terms and Conditions which do not mirror the costs it will incur on its distribution system. Instead, MOC claims that Bay State's proposal merely imposes the charges and requirements that interstate pipelines place on their customers. MOC asserts that, because each distributor faces unique costs and system requirements, there is no reason to assume that pipeline charges and requirements are applicable or relevant to Bay State's system (MOC Brief at 29-31). According to MOC, the central features of Bay State's unbundling proposal are huge increases in transportation rates, application of onerous balancing requirements, and substantial charges for balancing and back-up service (id. at 32).

b. TOG

Although TOG states that it does not oppose the proposed revisions to the tariffs, it argues that the Terms and Conditions fail to address various operational issues, which will unnecessarily and unreasonably restrict gas transportation service (TOG Brief at 9). Specifically, TOG contends that: (1) the definition of "Pipeline Period Index Price" is vague; (2) the

requirement of 24-hour notice of nominations is unreasonable (TOG says that one-hour notice is sufficient); (3) the provision regarding scheduling of service should be altered to coordinate the customer's nomination with confirmation of pipeline deliveries and to restrict Bay State from rejecting the whole nomination; (4) the charges for balancing and violating OFOs, which are intended to protect the system's integrity, should be supported by cost analysis, and the OFOs and balancing restrictions are discriminatory, intended to stifle transportation and competition; (5) imbalance exchanges should be permitted up to four days after the close of the billing period rather than the two days proposed by Bay State; (6) the limitations on balancing service should be eliminated; (7) the criteria for determining the creditworthiness of an aggregator should be altered to take discretion away from Bay State and made more lenient for potential agents/aggregators; and (8) the provision regarding metering should be changed to include language requiring Bay State to install meters within a reasonable time frame or permit transportation service to commence without a meter (id. at 9-12).

c. The Company

Bay State asserts that the Settlement's proposed changes to its Firm Transportation Terms and Conditions should reduce barriers to customers considering transportation service.

Specifically, (1) the penalty for violating OFOs has been reduced by 50 percent from the initial proposal and Bay State will initiate a cost analysis to determine if a lower penalty provision is warranted; (2) the permissible region for imbalance trades has been expanded to the entire operating division; (3) Bay State has established specific criteria to evaluate an aggregator's creditworthiness; (4) Bay State has defined with greater specificity when OFOs will be initiated

and necessary; and (5) requirements regarding automated metering have been made less cumbersome (Bay State Reply Comments at 13-14).

With regard to the issue of balancing charges and penalties, Bay State contends that the daily and monthly charges are not penalties designed to discourage imbalances, but are simply fees designed to compensate for the use of Bay State's capacity (id.). According to the Company, these charges compensate both the transporter and Bay State for commodities exchanged (id. at 2). In addition, Bay State contends that it has demonstrated that the balancing charges that were initially proposed result in lower fees than existing charges and that the charges in the Settlement, which are lower than those initially proposed, will lead to even lower fees (id.).⁷ The Company maintains that more experience with providing transportation service is required before cost analysis is available; however, while specific data are unavailable, pipeline charges for similar functions can serve as a reasonable proxy (id. at 10).

Bay State asserts that TOG's claim that OFO restrictions are discriminatory because they apply solely to transportation customers is without merit (id. at 11). Specifically, Bay State argues that TOG fails to recognize the fundamental difference between sales and transportation service (id.). The Company states that the bundled sales service that it provides includes a premium to reflect a high degree of reliability and flexibility (id.). According to Bay State, this premium is associated with supplemental capacity and production facilities (id.). Therefore, the Company contends that there is no reason to institute hourly flow restrictions on sales customers (id.). In contrast, the Company argues that there is no premium reflected in transportation rates

⁷ Bay State also indicated that the expanded availability for imbalance trading may provide an additional opportunity for customers and agents to mitigate balancing charges (Bay State Reply Comments at 7).

and therefore it must charge transportation customers for the violations of hourly flow restrictions to prevent transportation customers from benefiting from facilities and supplies that would otherwise be recovered from sales customers through the CGAC (id.).

d. DOER

DOER asserts that the Settlement overall, and specifically, the Company's proposed Terms and Conditions, such as reduced balancing charges, reduced penalties for violation of OFOs, expansion of the area where imbalance trading is allowed, and changes to the Terms and Conditions which make transportation service more customer-friendly (e.g., elimination of costly requirements related to automated metering) represent a positive step toward the goal of a competitive and efficient natural gas market (DOER Comments at 1, 2, 4).

C. Analysis and Findings

In assessing the reasonableness of an offer of settlement, the Department must review the entire record as presented in the Company's filing and other record evidence to ensure that the settlement is consistent with Department precedent and the public interest.

See Barnstable Water Company, D.P.U. 93-233 (1994); Colonial Gas Company, D.P.U. 93-78, at 6 (1993); Cambridge Electric Light Company, D.P.U. 89-109, at 5 (1989); Southbridge Water Supply Company, D.P.U. 89-25 (1989); Eastern Edison Company, D.P.U. 89-100, at 9 (1989); Fall River Gas Company, D.P.U. 91-61, at 3 (1991); Western Massachusetts Electric Company, D.P.U. 92-13, at 7 (1992).

A settlement agreement among the parties, however well wrought, does not alter in any way the Department's jurisdiction nor does it absolve the Department of its statutory obligation to conclude its investigations with a finding that a just and reasonable outcome will result. The

Department has therefore reviewed the proposed settlement in light of that responsibility. See Boston Edison Company, D.P.U. 88-28/88-48/89-100 (1989).

The Department has carefully reviewed the rate structure provisions of the Settlement in light of the Department's policies and the evidence contained in the record. It is well-established that the Department's goals for utility rate structure are efficiency, simplicity, continuity, fairness, and earnings stability. See Massachusetts Electric Company, D.P.U. 95-40 (1995); Cambridge Electric Light Company, D.P.U. 92-250 (1993); Boston Gas Company, D.P.U. 93-60 (1993).

The Department has previously accepted settlements which include cost allocation and/or rate design when such settlements were consistent with the Department's goals. See Colonial Gas Company, D.P.U. 93-78 (1993); Boston Edison Company, D.P.U. 92-92 (1992); Massachusetts Electric Company, D.P.U. 91-52 (1991).

Regarding the issue of rate impact for transportation customers, we note that in evaluating the rate continuity implications of a rate redesign for each rate class, the Department performs monthly bill impact analyses and reviews the total increase for each rate class both in dollar and percentage terms. See Bay State Gas Company, D.P.U. 92-111, at 318-319 (1992); Commonwealth Gas Company, D.P.U. 91-60, at 40 (1991). When the Department considers continuity in rates, it seeks to avoid any unacceptable discontinuities in terms of the total bill impacts. Boston Edison Company, D.P.U. 85-266-A/85-271-A, at 193-194 (1986). This requires consideration of the entire bill, including the effect of an electric company's fuel charge or a local distribution company's ("LDC") GAF.

Consistent with this approach, in order to analyze the effect of a change in an LDC's transportation rate, the Department considers the impact of the changes on a customer's total

delivered cost of gas, of which an LDC's transportation rate is only one component. The record in this case indicates that the Company's transportation rate comprises approximately 20 to 25 percent of customers' burner-tip price (Tr. 7, at 145, 156). In addition, we note that the proposed reduction in the price for stand-by service and the decrease in the balancing charges could offset the increases in the transportation rates for the existing transportation customers. Based on our review of the bill impact analysis for the transportation rates, the Department finds that the proposed rates, when viewed in the context of the customers' totaled delivered cost of gas, would not violate our goal of rate continuity.

The Department further notes that the transportation rates proposed under the Settlement are based on class revenue requirements that more accurately reflect cost causation principles and are consistent with Department precedent regarding the allocation of local production and storage costs. See Boston Gas Company, D.P.U. 93-60, at 430 (1993).⁸ Bay State is currently recovering all of its local production and storage costs from its sales customers only; transportation customers are not charged for any of these costs. See Bay State Gas Company, D.P.U. 92-150, at 3, 5 (1993). Under the Settlement, and consistent with Department precedent, a portion of these costs is allocated to the distribution component of the Company's rates and is appropriately recovered from both sales and transportation customers⁹ (Exh. BSG-3, at 34-39; DPU-RR-20).

⁸ In particular, the Department found that 25 percent of Boston Gas Company's local production and storage costs should be recovered through base rates, with the remaining 75 percent of the costs recovered through the CGAC. Boston Gas Company, D.P.U. 93-60, at 430 (1993).

⁹ Under the proposed rates, sales and transportation customers will pay the same rate
(continued...)

Regarding the argument that firm transportation service customers should not receive a rate increase that exceeds the six percent cap adopted by the Department in Bay State's last rate case, the Department notes that in that case, the Company was directed to cap the revenue requirement increase for any rate class at six percent because of continuity concerns. See Bay State Gas Company, D.P.U. 92-111, at 319 (1992). In this case, we have found that the transportation rates proposed under the Settlement do not violate our goal of rate continuity. Therefore, it is not necessary to impose a revenue requirement cap on any of the rate classes.

The Department's review of the bill impacts for the sales rates indicates that the sales rates contained in the Settlement also do not violate our goal of rate continuity. Regarding the \$.075 per month increase in the customer charge of Rates R-1 and R-3, we note that, as was the case with the transportation bill impacts, the customer charge constitutes only a portion of a customer's total bill and it is inappropriate to focus solely on this component when considering the impact of a rate design change.

The Department has carefully evaluated the extensive evidence in the record in this proceeding. Based upon this evaluation, the Department finds that the Settlement's rate design and cost allocation are consistent with rate structure principles established by Department precedent and that the resulting allocation of costs and rates for sales and transportation services is just and reasonable. The Department further finds that the proposed sales and transportation rates are reasonably consistent with the rate levels that would have been approved by the Department in the absence of a settlement.

⁹(...continued)

for transporting gas across the Company's distribution system.

Finally, the Department has compared the Terms and Conditions submitted in the Settlement with (1) Bay State's initial proposal, (2) Bay State's current transportation service offering, and (3) Department precedent, and concludes that the Settlement improves upon Bay State's initial proposal and the Company's current service offerings, and is consistent with Department precedent. See, e.g., Boston Gas Company, D.P.U. 93-60 (1993); Colonial Gas Company, D.P.U. 93-78 (1993). Accordingly, the Department finds that the Terms and Conditions proposed in the Settlement are reasonable and consistent with the public interest.

The Department acknowledges the concerns of the intervenors opposing the above provisions of the Settlement. As the marketplace for transportation evolves to serve the needs of transportation customers, LDCs should seek to implement requirements and fees in an even-handed manner, so that no class of customers is benefiting at the expense of another customer class. While the gas market has not yet advanced to a fully competitive state, this Settlement places all competitors, including Bay State, on a more level playing field. Specifically, the Settlement promotes rate parity between sales and transportation service, lowers balancing charges, and removes many discretionary provisions from the transportation Terms and Conditions. Through unbundling and the development of a menu of valuable service offerings that are supported by better cost data, this Settlement, taken as a whole, represents a significant step forward toward promoting choice and competition.

For all the above reasons, the Department finds the Settlement reasonable and consistent with Department precedent and the public interest. Accordingly, the Department grants the Joint Motion for Approval of Offer of Settlement. In accordance with the terms of the Settlement, our acceptance of the Settlement does not constitute a determination as to the merits of any

allegations, contentions, or arguments made in this investigation. Finally, we note that our acceptance of the Settlement does not set a precedent for future filings, whether ultimately settled or adjudicated.

III. ORDER

Accordingly, after due notice, hearing, and consideration, it is

ORDERED: That the Joint Motion for Approval of Offer of Settlement, filed on December 18, 1995, by Bay State, the Attorney General, DOER, Enron and Utilicorp, be and hereby is granted; and it is

FURTHER ORDERED: That the tariffs, M.D.P.U. Nos. 374 through 398, filed by Bay State Gas Company with the Settlement, to become effective January 1, 1996, be and hereby are allowed.

By Order of the Department,

John B. Howe, Chairman

Mary Clark Webster, Commissioner

Janet Gail Besser, Commissioner

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: July 7, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

UWUA-2-22 Please provide a month-by-month total of the number of customers on the company's low-income discount rates for the period January 2001 to date.

Response: Please see Table UWUA-2-22.

TABLE UWUA-2-22

		Low Income Customers
2001	January	19,076
	February	19,496
	March	21,465
	April	23,521
	May	24,451
	June	24,137
	July	23,736
	August	10,323
	September	22,112
	October	22,653
	November	23,540
	December	23,821
2002	January	24,527
	February	25,113
	March	25,386
	April	25,587
	May	25,588
	June	25,267
	July	21,320
	August	20,933
	September	13,425
	October	7,400
	November	12,595
	December	13,480

2003	January	16,070
	February	21,615
	March	18,990
	April	20,143
	May	21,115
	June	20,829
	July	20,398
	August	19,984
	September	18,628
	October	18,252
	November	17,531
	December	17,536
2004	January	18,533
	February	19,201
	March	20,266
	April	18,268
	May	19,006
	June	18,631
	July	18,371
	August	17,881
	September	17,404
	October	17,217
	November	17,146
	December	17,531
2005	January	18,135
	February	18,879
	March	19,614
	April	16,657
	May	17,763

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: July 7, 2005

Responsible: Danny G. Cote, General Manager

UWUA-3-32 (Cote, p. 57) Please provide the annual costs of the Company's Westborough offices for each year 2000 through 2004, including lease payments, O&M costs (maintenance, repairs, cleaning, etc.), property taxes, utilities, etc.; the number of square feet owned or leased each year (to the extent this has changed over time); and the average number of employees housed at Westborough for each year.

Response: Below are the Company's number of Westborough employees, O & M outside service expenses, property taxes and utility expenses for the years 2000 through 2004. The Company paid rent on 88,000 square feet for every year in the 2000 through 2004 time period.

Westboro Facilities 2000 - 2004

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Employees	138	110	73	56	55
O & M costs	154,584	178,164	186,587	204,189	182,428
Lease payments	983,380	1,026,954	1,026,954	1,074,569	1,122,184
Property Tax	142,329	139,789	136,455	148,266	132,174
Utilities	170,052	171,540	184,675	152,577	172,319

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: July 7, 2005

Responsible: Danny G. Cote, General Manager

UWUA-3-42 Please fully explain Mr. Cote's authority and role in decisions to change staffing levels within any unit, division or department of Bay State. To the extent that his authority varies by unit, division or department, please explain how it varies.

Response: Mr. Cote's role in decisions to change staffing levels at Bay State are limited to the Operations Group in the Bay State and Northern Utilities Locations. Those functions defined as the Operating group include the following departments or activities: Engineering, Distribution, Service, Metering (exclusive of meter reading and Collections), Measurement and Regulation (The plant & Regulator group), Logistic & Scheduling, Meter Shop, Fleet (garage activities only).

Mr. Cote's specific authority by job type is as follows:

- Replacement Union and Clerical positions - Final Approval
- New Union and Clerical positions – Approve business case then submit to senior Nisource leadership for final approval.
- Replacement of Exempt Positions – Final Approval (Shared with VP of Human Relations)
- New Exempt Positions - Approve business case then submit to senior Nisource leadership for final approval.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: July 7, 2005

Responsible: Danny G. Cote, General Manager

UWUA-3-45 (Cote, p. 9) (a) Please provide a list of the number of leaks reported to or identified by the company, sorted by year and by type (1, 2 or 3), for each year 1999 to present.

(b) Also provide a list of the number of leaks repaired for each year 1999 to present, sorted by types 1, 2 and 3.

Response: (A) Pending Leaks by class)

Leaks Reported but not Repaired

Class				
Year	1	2	3	Total
1999	0	0	282	282
2000	0	0	391	391
2001	0	0	121	121
2002	0	0	224	224
2003	0	0	183	183
2004	0	0	119	119
2005	0	131	126	257
Total	0	131	1446	1577

(B) Refer to USWA 2-12 (Leaks repaired by class)